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October 9, 2015

BY ECF

Honorable Analisa Torres  
Southern District of New York  
500 Pearl Street  
New York, New York 10007

Re: *iPayment, Inc. v. 1st AmeriCard, Inc., Greg Grainger and Kelly Grainger*,  
No. 15 Civ. 1904 (S.D.N.Y.)

Dear Judge Torres:

We represent the Petitioner, iPayment, Inc. ("iPayment"), in the above-referenced proceeding. iPayment has a petition to confirm an arbitration award pending before the Court, which was filed on April 7, 2015. (ECF No. 10.) As the Court may recall, this past August iPayment advised the Court in its motion to substitute Mrs. Grainger as a party of Respondents' misconduct in seeking to hide assets to avoid paying an anticipated judgment. (ECF Nos. 20-22.) We write to advise the Court that the Respondents, 1st AmeriCard, Inc. ("1st AmeriCard") and Kelly Grainger ("Mrs. Grainger") (collectively, "Respondents"), continue to engage in misconduct, including attempts to secrete assets, as well as attempts to harm iPayment's business. We believe that this information may be pertinent to the Court's determination of the matters pending before it.

First, Respondents continue unabated massive efforts to hide, dilute and abscond with assets. Among other things, iPayment has evidence that the few assets remaining in 1st AmeriCard's accounts have been transferred to a separate business owned and operated by Mrs. Grainger, but which is not a party to this action. iPayment has further learned that Mrs. Grainger has moved to Florida and is attempting to sell her home in North Carolina, to hinder any efforts to collect on a judgment. This conduct continues despite efforts to date in North Carolina to utilize pre-judgment remedies to curtail such conduct.

In addition, Respondents have proceeded to engage in conduct intended to harm iPayment's business interests by breaching their non-solicitation obligations. The underlying proceeding which led to the arbitration award before the court for confirmation concerned the sale by Respondents to iPayment of certain merchant

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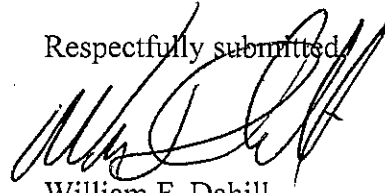
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accounts for nearly \$5 million. Now, in apparent retaliation for iPayment prevailing in the arbitration, Respondents have been contacting the merchants whose accounts they sold to iPayment in an attempt to solicit them to stop doing business with iPayment. Among other things, this conduct breaches Respondents' contractual obligations to refrain from any solicitation of clients belonging to iPayment.

In sum, iPayment respectfully requests that the Court enter an order confirming the arbitration award in full.

Respectfully submitted,



William F. Dahill

cc: Craig Mierzwa, Esq. (by ECF and email)